

# **The Treasury Department Treasury Borrowing Advisory Committee of the Securities Industry and Financial Market Association**

## **Membership Balance Plan**

Pursuant to 41 C.F.R. § 102-3.30(c) and 41 C.F.R. § 3.60(b)(3), this Membership Balance Plan for the Treasury Borrowing Advisory Committee of the Securities Industry and Financial Market Association (TBAC) for the US Treasury is being provided as part of the charter renewal plan and describes how the Treasury Department intends to maintain a fairly balanced membership for the TBAC.

- (1) Name. The Treasury Borrowing Advisory Committee of the Securities Industry and Financial Markets Association. (TBAC)
- (2) Authority. The TBAC's charter has been prepared and filed in accordance with the provisions of the Federal Advisory Committee Act (FACA), 5 U.S.C. App. 2.
- (3) Mission/Function. The TBAC's purpose is to provide informed advice, as representatives of the financial community or recognized subject matter experts, to the Secretary of the Treasury and the Treasury staff, upon the Secretary of the Treasury's request, in carrying out Treasury financing and the management of the Federal debt. The scope of the activity of the Committee is to consider commercial and financial information relevant to its objective, to consult with and advise the Secretary of the Treasury and Treasury staff with respect to Federal debt management operations, and to make reports and recommendations in connection therewith.
- (4) Points of View.
  - (a) Subject Matter/Technical Expertise. The Committee's membership includes representatives from firms that actively make markets in Treasury securities and firms that make or advise clients on large investments in Treasury securities or recognized experts in the fields of economics and finance, financial market analysis, or financial institutions and markets. The subject matter or technical expertise that is necessary to accomplish the tasks of the TBAC includes a broad and deep understanding of fixed-income markets, economics, finance, investment theory and capital markets, monetary and fiscal policy, financial accounting, financial institutions (including operations and management), risk management, market-making activity, financial-market infrastructure, fixed-income regulations and regulatory organizations.
  - (b) Areas of Expertise. The members of the TBAC should represent senior management at financial institutions that substantially invest proprietarily or on behalf of clients or make markets in Treasury securities or be recognized subject matter experts in the areas of economics and finance, financial market analysis, or financial institutions and

markets . Members represent different segments of the fixed-income industry including both the “buy” side and “sell” side of the Treasury fixed-income market, as well as different areas of subject matter expertise that are critical to providing informed advice to the Treasury Secretary and Treasury staff .

It was determined when the TBAC was established that a committee composed of significant Treasury market participants with a variety of views and experiences would best serve Treasury by providing supplementary information as input in the Treasury decision-making process concerning debt issuance and debt management. This is because such representative individuals have a profound understanding of the Treasury market, as well as expertise and familiarity with the financial institutions, finance and economics, financial market analysis, investors, regulatory agencies, infrastructure and operations related to buying, selling, financing, and trading Treasury securities in both the primary and secondary markets. Treasury subsequently decided to expand the TBAC membership to include recognized subject matter experts so that the Committee could better advise Treasury.

- (5) Other Balance Factors. The other balance factors that Treasury identified as important for the TBAC’s membership include geographic diversity, diversity in institutional size, the diversity in the specific type of financial institutions (buy-side, sell-side, investment strategy/purpose) and diversity in relevant subject matter expertise.
- (6) Candidate Identification Process.
  - (a) Cross-section. Treasury identifies potential TBAC candidates based on recommendations from current and former TBAC members, interactions with various fixed-income market professionals at professional conferences and investor outreach efforts and via national securities trade groups such as SIFMA. Treasury continually identifies potential candidates that may serve as good members for TBAC in the event that an existing member leaves the Committee. All individuals identified are senior officers of financial institutions that significantly participate in fixed-income markets or recognized subject matter experts in the areas of economics and finance, financial market analysis, or financial institutions and markets. Treasury seeks to diversify members by including senior management from a variety of institutions that trade Treasury securities including primary dealers and other broker/dealers, hedge funds, insurance companies, banks and asset managers and recognized subject matter experts in the areas of economics and finance, financial market analysis, or financial institutions and markets. Committee members represent a cross-section of market participants that engage in investment, underwriting, or trading activity within the Treasury market as well as recognized subject matter experts in the areas of economics and finance, financial market analysis, or financial institutions and markets. Members represent both privately-held and publically-traded entities and range in size from small sole proprietorships to large firms.

(b) Agency staff involved. The review process for the current members of the TBAC was performed by senior Treasury Department Officials including, the Assistant Secretary for Financial Markets, the Deputy Assistant Secretary for Federal Finance, and the Director for the Office of Debt Management, the Designated Federal Officer.

(c) Vacancies. TBAC vacancies will be filled as promptly as possible, using a process to match as closely as possible the balance and diversity characteristics of the departing member.

(d) Term limits. Each TBAC member is appointed for a term of up to 8 years.

(7) Subcommittee Balance. Membership for subcommittees will be selected with the same process as used for the TBAC itself.

(8) Other. The Treasury Department will take whatever other steps are necessary to ensure a balanced membership on the TBAC.

(9) Date Prepared. This Membership Balance Plan was initially prepared on March 20, 2011 and revised on April 3, 2015.